Canada Customs **Agence des douanes**
and Revenue Agency **et du revenu du Canada**

TAX ON SPLIT INCOME – 2002

Use this form to calculate your tax on split income if you:

- were born in 1985 or later;
- were a non-resident at no time in 2002;
- have a parent who was resident in Canada at any time in 2002; and
- reported on your 2002 return, split income as described below.

Split income **includes** the following amounts:

- **taxable amount of dividends** from ownership of shares of a corporation (other than from shares of a class listed on a prescribed stock exchange and those of a mutual fund corporation) whether received directly or through a partnership or trust (other than a mutual fund trust);
- **shareholder benefits** (other than from ownership of shares of a class listed on a prescribed stock exchange) conferred on you whether directly or through a partnership or trust (other than a mutual fund trust); and
- **other income** you received from a partnership or trust (other than a mutual fund trust) that came from income that a partnership or trust earned from providing goods or services to or in support of a business carried on by:
  – a person related to you at any time in 2002;
  – a corporation of which one of your relatives was a specified shareholder at any time in 2002; or
  – a professional corporation of which one of your relatives was a shareholder at any time in 2002.

Split income **does not include** the income described above from property you inherited from your parent. It also does not include the income described above from property you inherited from anyone else provided you were either enrolled as a full-time student at a post-secondary educational institution in 2002, or you were eligible to claim the disability amount for 2002.

Complete Part 1 to calculate your federal tax on split income. Complete Part 2 to calculate your provincial or territorial tax.

Attach a completed copy of this form to your return.

Part 1 – Federal tax on split income

The part of the taxable amount of dividends described above received from taxable
Canadian corporations .... **6835** _____ **1**
All other split income .... + _____ **2**
Total split income: Add lines 1 and 2
                 Enter this amount on line 232 of your return .... **6836** = _____ **3**
Federal tax on split income: Multiply the amount on line 3 by 29%
                 Enter this amount on line 424 of Schedule 1 .... _____ **4**

Note: To determine the amount to enter on line 417 of Schedule 1, continue.

Federal dividend tax credit on split income: Multiply the amount on line 1 by 13.3333% .... – _____ **5**
Line 4 minus line 5 .... = _____ **6**

Note: If the amount on line 6 is greater than the amount on line 13 of Schedule 1, use the amount on line 6 instead of the amount on line 13 of Schedule 1 when you calculate the refundable Quebec abatement and the federal surtax on income earned outside Canada.

Federal foreign tax credit on split income:

The part of the amount on line 2
that is from foreign sources **6837** _____   Amount from line 14
_____ X   of Schedule 1 _____ = – _____ **7**
Total income from foreign sources **6838** _____

Line 6 minus line 7 (if negative, enter "0") .... = _____ **8**

Enter the amount from line 406 of Schedule 1 .... _____ **9**
Enter the amount from line 416 of Schedule 1 .... – _____ **10**
Line 9 minus line 10 (if negative, enter "0") .... = _____ **11**
Enter the amount from line 8 or line 11, whichever is **more.**
Also enter this amount on line 417 of Schedule 1 .... _____ **12**

Part 2 – Provincial/territorial tax payable by an individual with split income

Provincial/territorial tax on split income

Total split income from line 3 on the front **13**

Enter the tax rate that applies to your province or territory from column 2 in the chart below .... × _____ % **14**

Multiply the amount on line 13 by the tax rate you entered on line 14.
Enter this amount on the line of your Form 428 indicated in column 3 in the chart below .... = _____ **15**

Note: To determine the amount to enter on line 428 of your return, continue.

Provincial/territorial dividend tax credit on split income

Enter the amount from line 1 on the front .... _____ **16**

Enter the dividend tax credit rate that applies to your province or territory from column 4
in the chart below .... × _____ % **17**

Multiply the amount on line 16 by the rate you entered on line 17 .... = _____ ▶ – _____ **18**

Line 15 minus line 18 .... = _____ **19**

Provincial/territorial foreign tax credit on split income

Amount from line 6837 on the front _____

Amount from line 6838 on the front _____

X Amount that applies to your province or territory from column 5 in the chart below _____ = – _____ **20**

Line 19 minus line 20 .... = _____ **21**

Enter the amount from the line number of your Form 428 shown in column 6 in the
chart below .... _____ **22**

Enter the amount from line 21 or line 22, whichever is **more**.
Also enter this amount on line 428 of your return .... _____ **23**

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Province/territory	Tax rate	Enter the amount from line 15 on:	Dividend tax credit rate	Provincial/territorial foreign tax credit from:	Enter on line 22, the amount from:
Newfoundland and Labrador	18.02%	line 38 of Form NL428	See **Note** below	line 54 of Form NL428	line 62 of Form NL428
Prince Edward Island	16.7%	line 38 of Form PE428	7.7%	line 66 of Form PE428	line 70 of Form PE428
Nova Scotia	16.67%	line 38 of Form NS428	7.7%	line 50 of Form NS428	line 65 of Form NS428
New Brunswick	17.84%	line 14 of Form NB428	7.6%	line 25 of Form NB428	line 49 of Form NB428
Ontario	11.16%	line 38 of Form ON428	5.13%	line 52 of Form ON428	line 68 of Form ON428
Manitoba	17.4%	line 14 of Form MB428	5%	line 44 of Form MB428	line 47 of Form MB428
Saskatchewan	15.5%	line 42 of Form SK428	8%	line 52 of Form SK428	line 70 of Form SK428
Alberta	10%	line 4 of Form AB428	6.4%	line 42 of Form AB428	line 48 of Form AB428
British Columbia	14.7%	line 38 of Form BC428	5.1%	line 48 of Form BC428	line 64 of Form BC428
Yukon	12.76%	line 14 of Form YT428	5.9%	line 30 of Form YT428	line 41 of Form YT428
Northwest Territories	13.05%	line 38 of Form NT428	6%	line 48 of Form NT428	line 49 of Form NT428
Nunavut	11.5%	line 38 of Form NU428	4%	line 48 of Form NU428	line 49 of Form NU428

Note: The dividend tax credit rate for dividends paid **before March 22, 2002** is 9% and the rate for dividends paid **on or after March 22, 2002** is 5%. If both rates apply, attach your working sheet showing your calculation and enter the amount at line 18.